

Message Text

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ACTION NEA-12

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03

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XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 NIC-01

DRC-01 /176 W

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R 160945Z MAR 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 0283

INFO AMEMBASSY COLOMBO

AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY LONDON

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

CINCPAC HONOLULU HI

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 3617

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, PINT, IN, US

SUBJECT: THUNDER ON THE LEFT: "LEFT" ATTACKS ON THE US
AND "PRAGMATIC" DOMESTIC POLICIES

SUMMARY: INDO-US RELATIONS HAVE REEMERGED AS A FACTOR IN A
DOMESTIC INDIAN POLITICAL STRUGGLE OVER ECONOMIC POLICY. THE
COMMUNIST PARTY OF INDIA AND THE COMMUNIST PARTY (MARXIST)
ARE THE KEY MOVERS IN THE STRUGGLE FROM THE "LEFT" BUT THEY
RECEIVE A CERTAIN DEGREE OF SUPPORT FROM SYMPATHIZERS IN THE
CONGRESS PARTY (R) "LEFT" WING. IN ESSENCE THEIR TACTICS
APPEAR TO BE TO PUSH THE GOVERNMENT'S DOMESTIC POLICIES "LEFT"
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BY BLACKENING THE US AND ANYONE FAVORING IMPROVED POLITICAL

OR ECONOMIC RELATIONS WITH THE US OR DOMESTIC POLICIES WHICH MIGHT BE CONSTRUED AS BEING FAVORED BY THE US. DIEGO GARCIA AND US MILITARY ACTIVITIES IN THE INDIAN OCEAN ARE THE FOCUS OF THE "LEFTIST" ATTACK. THE TACTICS ARE DIFFICULT FOR THE GOI TO DEAL WITH, AND THE COMMUNISTS HOPE TO PRECIPITATE A SERIES OF ANTAGONISTIC EXCHANGES BETWEEN INDIA AND THE US WHICH WILL DAMAGE INDO-US RELATIONS AND WEAKEN THE PRESTIGE AND POSITION OF INDIAN OFFICIALS AND POLITICIANS WHO FAVOR CLOSER RELATIONS WITH THE US AND A MORE BALANCED FOREIGN AND DOMESTIC POLICY FOR INDIA. WE CAN BE RESTRAINED AND CAREFUL OURSELVES IN REACTING TO THE "LEFTIST" ATTACKS AND ALSO IMPRESS ON INDIAN OFFICIALS AND POLITICIANS THAT WE ARE AWARE OF THE CAMPAIGN AND ITS OBJECTIVES AND WILL WATCH CAREFULLY HOW THE GOI DEALS WITH IT. END SUMMARY.

1. THE BACKGROUND: ECONOMIC DISTRESS, BOTH DOMESTIC AND THAT GENERATED BY INTERNATIONAL FACTORS, HAS BECOME OF INCREASINGLY COMPELLING CONCERN TO MRS. GANDHI AND HER CHIEF ADVISORS. GOVERNMENT POLICIES OVER THE LAST SIX MONTH HAVE MOVED IN CREASINGLY IN MORE "PRAGMATIC" OR -- AS VIEWED FROM THE "LEFT" -- CONSERVATIVE DIRECTIONS. THIS IS EVIDENT IN SHIFTS IN GRAIN PROCUREMENT POLICY, BUDGETARY AND TAX POLICY, READJUSTMENTS IN THE FIFTH FIVE YEAR PLAN, POLICY TOWARD THE PRIVATE SECTOR AND FIREIGN INVESTMENT, AND RELATIONS WITH THE US. THE COMMUNISTS (BOTH CPI AND CPM) HAVE WORRIED FOR MONTHS OVER HOW TO DEAL WITH THIS PROBLEM. THE CPI PARTICULARLY WANTS TO MAINTAIN ITS RELATIONS WITH CONGRESS(R) AND MRS. GANDHI AND AT THE SAME TIME RESIST THE EROSION OF ITS REDICAL INFLUENCE ON CONGRESS POLICIES. LAST FALL THE CPI LAUNCHED AN ATTACK ON GOVERNMENT GRAIN DISTRIBUTION POLICY WHICH IRRAITATED THE PRIME MINISTER AND LED TO HER REBUKING THE CPI PUBLICLY. COMMUNIST LEADERS SOUGHT ADVICE FROM BREZHNEV LAST DECEMBER WHEN HE WAS IN NEW DELHI. THEY GOT LITTLE HELP. THE CPI BIDED ITS TIME WHILE THE ELECTION CAMPAIGNS IN SEVERAL STATES--IN WHICH IT ASSOCIATED ITSELF WITH CONGRESS (R) -- WERE IN PROCESS IN PROCESS IN JANUARY AND FEBRUARY. THE CPI DID MODERATELY WELL IN THESE AND NOW SEEMS TO FEEL EMBOLDENED BOTH BY THIS AND BY THE COINCIDENT APPEARANCE OF SEVERAL PRIME "TARGETS OF OPPORTUNITY" TO LAUNCH A MOVEMENT, SUPPORTED BY THE CONGRESS "LEFT" , TO ATTACK THE US, STEM ANY FURTHER MOVEMENT TO THE "RIGHT",
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AND PUSH MRS. GANDHI CLOSER TO THE SOVIET UNION AND TOWARD A MORE "SOCIALIST" POLICY DOMESTICALLY.

2. COMMUNIST TACTICS: THE US IS THE LEVER FOR THIS POLICY BOTH BECAUSE THE GROWTH OF ANTI-US FEELING IN INDIA SERVES CPI INTER-NATIONAL POLICY AND BECAUSE "RIGHTIST" OR CONSERVATIVE DOMESTIC POLICIES ARE SEEN IN INDIA AS SYMBOLIZING GREATER US INFLUENCE AND AS BEING THE CONSEQUENCE OF CLOSER INDI-US RELATIONS.

MRS. GANDHI AND OTHER INDIAN LEADERS HAVE OFTEN USED THE THREAT OF A "FOREIGN ENEMY" AND OF ALLEGED DANGERS TO INDIAN SOVEREIGNTY AND INTEGRITY AS A MEANS OF DISTRACTING ATTENTION FROM DOMESTIC PROBLEMS. DURING THE ELECTION CAMPAIGN IN BOTH UP AND ORISSA LAST MONTH, THE SPECTRE OF AN UNNAMED "FOREIGN THREAT" AND ARMS STOCKPILES IN THE HANDS OF NEIGHBORS WAS TROTTED OUT BY MRS. GANDHI PERSONALLY AND BY OTHER CONGRESS CAMPAIGNERS.

3. NOW DIEGO GARCIA AND THE IMAGE OF US MILITARY POWER IN THE INDIAN OCEAN HAS EMERGED TO PROVIDE THE CPI, CPM AND CONGRESS "LEFT" WITH A READY-MADE WEAPON WITH WHICH TO STRIKE AT ALL THEIR TARGETS. AND IF THE FACTS THEMSELVES WERE NOT ENOUGH, THE WAVERING AND CHANGING JUSTIFICATIONS FOR THE US MOVES FROM WASHINGTON AND THE RESULTANT DETERIORATION OF CREDIBILITY OF US EXPLANATIONS HAVE FURTHER STRENGTHENED THE USEFULNESS OF THIS WEAPON TO THE INDIA "LEFT". MOREOVER, ON THIS ISSUE THE SOVIETS HAVE GIVEN THEIR BLESSING TO THE CPI ATTACK AND HAVE BEEN QUIETLY PROVIDING THE COMMUNISTS WITH "RAW MATERIAL" TO USE AGAINST THE US. THE ABSENCE OF A CHINESE OR PAKISTANI CRITICISM OF DIEGO GARCIA HAS THE POTENTIAL OF ENABLING THE CPI TO LINK THE US AND CHINA AND TO ROUSE LATENT FEARS THAT PAKISTAN WILL IN SOME WAY BENEFIT FROM A GREATER US MILITARY PRESENCE IN THE INDIAN OCEAN. FINALLY, THE ENTIRE ISSUE IS ONE ON WHICH MRS. GANDHI AND HER MINISTERS ARE VIRTUALLY COMPELLED TO JOIN HANDS WITH THE "LEFT". FOREIGN MINISTER SWARAN SINGH TOLD THE CPM LEADER IN THE PARLIAMENT THIS WEEK THAT, EXCEPT FOR HIS RHETORICAL EXCESSES, THE GOVERNMENT SHARED HIS BITTER CRITICISM OF BOTH US NAVAL ACTIVITIES AND DIEGO GARCIA EXPANSION.

4. HAVING FOUND THE TARGET TO ATTACK, COMMUNISTS LEAPED ON THE AMBASSADOR'S BACKGROUND REMARKS IN MADRAS TWO WEEKS AGO. BUT THIS WAS MERELY A CHANCE OPPORTUNITY AND A WHOLE SERIES
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ACTION NEA-12

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INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 AID-20 COME-00 EB-11 FRB-02 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 NIC-01

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R 160945Z MAR 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 0284

INFO AMEMBASSY COLOMBO

AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY LONDON

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

CINCPAC HONOLULU HI

C O N F I D E N T I A L SECTION 2 OF 2 NEW DELHI 3617

CINCPAC FOR POLAD

OF NEW ASSAULTS ON US POLICIES OVER THE LAST YEAR HAVE
EMERGED IN THE PRESS IN RECENT DAYS. EXAMPLES, ALL IN THE LAST
THREE WEEKS: THE NATIONAL HERALD'S ANALYSIS OF THE AMBASSADOR'S
JANUARY SPEECH TO THE INDIAN COUNCIL OF WORLD AFFAIRS;
A LONG PATRIOT CRITIQUE OF THE "STAR SERIES"-- THE FIRST SUCH
ATTACK SINCE THE SERIES BEGAN--A WEEK AGO; CPI CALLS (AND
PREPARATIONS) TO DISRUPT MEETING S ADDRESSED BY US VISITORS
AND SPEAKERS, INCLUDING THE SECRETARY AND THE VICE PRESIDENT,
IN THE SAME WAY THAT MCGEORGE BUNDY'S PERFORMANCE WAS BROKEN
UP A FEW WEEKS AGO; CPI CRITICISM-- TWO MONTHS LATE-- OF
THE INDO-US ACADEMIC AND SCIENTIFIC CONFERENCES IN JANUARY
THIS YEAR AS EVIDENCE OF NEW US EFFORTS TO INFILTRATE
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INDIAN INTELLECTUAL LIFE; A FRESH ROUND OF ATTACKS ON US
(AND CIA) ACTIVITY WITHIN INDIA; AND CPI DONDEMNATION OF THE
GOVERNMENT OF INDIA'S DECISION TO TAKE OVER ESSO BECAUSE
COMPENSATION WAS TO BE PAID.

5. BY ATTACKING THE US ON A SERIES OF FRONTS, BUT AROUND THE
CENTERPIECE OF THE INDIAN OCEAN, THE CPI AND CONGRESS "LEFT"
HOPES (A) TO CONTINUE TO ELICIT COMMENTS BY GOI LEADERS
SUPPORTING CRITICISM OF THE US IN AN INCREASINGLY BROAD CONTEXT

AND (B) TO PRECIPITATE A US REACTION WHICH CAN BE USED TO EXACERBATE INDI-US RELATIONS EVEN FURTHER. IN THIS WAY THE PRESTIGE AND INFLUENCE OF THOSE OFFICIALS AND POLITICIANS WHO WISH TO SEE BETTER INDO-US RELATIONS, WHO TEND TO SUPPORT WHAT WE WOULD DESCRIBE AS MORE "PRAGMATIC" AND EFFECTIVE ECONOMIC POLICIES, AND WHO PREFER TO SEE INDIA MAINTAIN A BETTER BALANCE BETWEEN THE WEST AND THE SOVIET SPHERE MAY BE GRADUALLY UNDERCUT. IRONICALLY THIS LATTER GROUP PROBABLY INCLUDES MRS. GANDHI AT THIS MOMENT. BUT THE CAMPAIGN IS TAILORED TO CATER TO HER PREJUDICES AND SENSITIVITIES. IT IS CLEVERLY CONCEIVED AND WILL REQUIRE CONSIDERABLE WILL AND DETERMINATION BY MRS. GANDHI TO RESIST. IF SHE DOES NOT, THE "TRIMMERS" IN CONGRESS AND THE GOVERNMENT MAY INCREASINGLY BEGIN TO LOOK OVER THEIR SHOULDERS WHEN THEY THINK OF SUGGESTING--OR ARE ASKED TO SUPPORT--POLICIES WHICH INVOLVE SHIFTS TOWARD THE "RIGHT" IN PAST POLICIES OR EXPANDED ASSOCIATION WITH US GOVERNMENT OF BUSINESS. INDIAN OFFICIALS AND POLITICIANS HAVE, IN THE PAST, BEEN ALL TOO PRONE TO LEAP WITH ALARM AT ANY HINT THEY ARE "SOFT" ON INDIAN NATIONALISM OR US "IMPERIALISM" OR ARE VERGING TOWARD YIELDING TO FOREIGN ECONOMIC PRESSURES (LEAVING ASIDE THE ARABS, OF COURSE).

6. WE SHOULD MAKE IT EXPLICITLY CLEAR THAT WE DO NOT SEE THIS HAPPENING AT THIS MOMENT. BUT IT IS WHAT THE CPI AND THE CONGRESS "LEFT" WOULD LIKE TO SEE HAPPEN AND ARE TRYING TO MAKE HAPPEN, WHAT CAN WE DO ABOUT IT? TO SOME EXTENT IT COMES DOWN TO HOW STRONGLY THE GOVERNMENT, PARTICULARLY MRS. GANDHI, SEES HER INTERESTS AND INDIAN INTERESTS AS BEING SERVED BY RESISTING THE PRESSURE. THE GOVERNMENT RIGHT NOW IS GIVING THE "LEFT" ITS HEAD IN CRITICIZING DIEGO GARCIA WHILE CAREFULLY AVOIDING ANY BILATERAL OVERFLOW DIRECTLY AFFECTING SPECIFIC ISSUES IT IS DISCUSSING WITH THE US. WE ARE SUGGESTING IN A FOLLOWING

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CABLE SOME SPECIFIC STEPS WE SHOULD BE PREPARED TO DISCUSS WITH THE GOI IN THE FIELD OF AID DISCUSSIONS AND THE ESTABLISHMENT OF COMMISSIONS WHICH MAY BE HELPFUL IN STRENGTHENING THE HANDS OF OUR FRIENDS IN THE GOI.

7. AT THE SAME TIME, WE CAN BE RESTRAINED AND CAREFUL IN HOW WE REACT TO THE CURRENT CAMPAIGN. THE "LEFT" WOULD LIKE NOTHING BETTER THAN FOR US TO TURN APOPLECTIC AND COUNTER-ATTACK. WE CAN ALSO MAKE IT CLEAR PRIVATELY TO SENIOR INDIAN LEADERS THAT WE ARE CONSCIOUS OF A CAMPAIGN BUILDING UP, THAT WE KNOW WHAT IT IS INTENDED TO DO, THAT WE WILL BE WATCHING INDIAN RESPONSES TO IT VERY CLOSELY, AND THAT THERE ARE CLEAR LIMITS TO HOW MUCH WE WILL TAKE OF GOVERNMENT AND CONGRESS PARTY LEADERS BEGIN (WHICH MOST HAVE NOT RPT NOT THUS FAR DONE) TO JOIN THE CHORUS.

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Message Attributes

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